



Implications of statutory and regulatory on graduate programs

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Presenters



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Vehicles for Federal Policymaking

▶ **Legislation (Primarily Reconciliation)**

- P.L. 119-21

▶ **Regulation (Primarily Negotiated Rulemaking)**

▶ **Enforcement**

▶ **Executive Orders**

Legislation: P.L. 119-21

▶ **Federal Loan limits (Direct Unsub. Stafford)**

- “Graduate” programs: \$100,000 total, \$20,500 annually
- “Professional” programs: \$200,000, \$50,000 annually
- Lifetime total (all levels combined: \$257,500)

▶ **Accountability framework**

- Earnings premium (“Do no harm”)

Implications

► **Urban Institute analysis using NPSAS data¹:**

- 56% of dentistry students exceeded annual limit.
- 41% of med students exceeded annual limit.
- 20% of vet med, optometry, and law exceeded annual limit.
- 51% of PsyD students exceed annual limit.
- Other big impacts: Public health, social work.

► **IMPLICATIONS**

- Some students may pursue private loans.
- States may develop loan programs to fill gaps.
- May limit access to higher-cost or longer length graduate program for lower income students.

¹Source: <https://www.urban.org/urban-wire/how-new-federal-student-loan-limits-could-affect-borrowers>

Proposed definition: Professional degree

- ▶ **“A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor’s degree, where professional licensure is also generally required.”**
- ▶ **The programs are designated as professional degrees:**
 - Pharm. D
 - Dentistry
 - Vet Med.
 - Chiropractic
 - Law
 - Medicine (incl. Osteopathic)
 - Optometry
 - Podiatry
 - Theology

Current definition: “Professional degree”

- ▶ **“A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to:”**

[SAME AS PREVIOUS LIST]

[Distinction does not differentiate loan amounts]

Next steps: “Professional degree” definition

- ▶ **Proposed interim definition allows broader designations through 2027. Allows institutions to self-designate professional programs.**
 - Effectively sets implementation date of July 1, 2027 for new definition.
- ▶ **NegReg Process**
 - Not yet final.
 - Unclear whether consensus will be reached.
 - Department has power over regulatory process.

Accountability framework

- ▶ **Included in P.L. 119:21.**
- ▶ **Plain language: Requires graduate degree and certificate program completers to earn more than BA holders in the same field.**
- ▶ **Consequence: Loss of access to federal lending.**

Accountability framework: Details

- ▶ **Median earnings of program completers are greater than lowest median earnings of 25-34 year olds in the following cohorts:**
 - All BA holders in the state.
 - All BA holders in the same field in the state.
 - All BA holders in the same field nationally.
- ▶ **Largest impacts projected for mental health, social work programs (Urban Institute).²**

²Source: <https://www.urban.org/urban-wire/how-new-federal-student-loan-limits-could-affect-borrowers>

Accountability framework: Process and timeline

- ▶ **NegReg complete Jan. 26.**
- ▶ **Impact several years away due to implementation timing.**

Questions, Discussion, and Follow up

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